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INVESTMENT
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ANNUAL REPORT
OF
THE C. O. BARTLETT & SNOW COMPANY

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Fiscal Year Ending December 31, 1947

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CLEVELAND, OHIO
U. S. A.

THE C.O. BARTLETT & SNOW COMPANY

DESIGNERS AND BUILDERS OF
MATERIAL HANDLING AND PROCESSING EQUIPMENT

6200 HARVARD AVENUE
CLEVELAND 5, OHIO, U.S.A.

To the Shareholders:

It is my privilege to present to you the financial report of the Company covering operations for the calendar year 1947, together with a brief summary of other phases of the Company's business, which I hope you will find of interest.

On the facing page you will find a financial summary of the operations of the Company.

Following the last annual meeting an Organization Plan was presented by me to the Board of Directors, and approved. This Organization Plan appointed Mr. C. J. Neville, as Executive Vice President and Treasurer; Mr. B. A. Smith, as Vice President-Secretary, in Charge of Engineering; Mr. C.O. Bartlett, as Vice President, in Charge of Sales, and Mr. H. A. Christy, as Vice President, in Charge of Manufacturing, and the respective responsibilities were definitely set forth for each of the said Vice Presidents in a chart which was prepared and made known to all within the organization, and which may be seen by you in the General Office. A great deal of thought was exercised in selecting the various subdivisions which would be the responsibilities of the respective Vice Presidents. I have not received any suggestions from any source indicating that there is an overlapping of responsibilities of the respective department heads, and at this writing I assume that it will be unnecessary to re-arrange the subdivisions established in 1947.

In the overall picture considerable of the work which has been passed to department heads represents somewhat new responsibilities. However, all have willingly given of their time, and each is deserving of approbation for a job which is being well done.

Close coordination is necessary and has been received, and I wish to acknowledge and thank each for his contribution, and, at the same time and for the same reason, likewise acknowledge and thank others in our organization for their efforts on behalf of the Company's interest, which has resulted in our being able to present to you a report which shows a reasonably successful outcome for 1947.

Top management during the year held several meetings so that all would be informed of the problems arising in each department, judge of the cross-section of the Company's work, determine what to do, and how to do it in the best interest of the Company. For future consideration timely suggestions were made indicating that in connection with our engineering-sales activities it would be well to again plan contacting many of the industries from which the Company in its earlier days procured so much of its business, as it was thought we might be narrowing down our prospective industry contacts to too few, and there is a definite need to broaden them.

Those who have been actively in the employ of the Company for many years will recall that we furnished an unusually wide range of products in the earlier years, and that we had a flexible personnel, capable of designing and making such diversified products, and served more industries.

With this in mind, and with the hope that we can regain some of our older accounts, we have set up a policy of extended research both in fundamental studies of our standard practices, as well as in application engineering. It is the purpose of the management of your Company to build soundly and constantly, since by so doing, the equity of each shareholder is increased.

Price rises are definitely reflected in and represent a considerable portion of the increase in dollar sales billed and booked by your Company, and in the value of our inventory, as we had to pass on to our customers the higher cost from our suppliers for the materials and equipment purchased by us. In addition, we had to charge for the increase in labor rates and higher costs for all expenses, including that for selling and administration. I am sure you will recognize that most of these additional costs for doing business are almost all beyond our control.

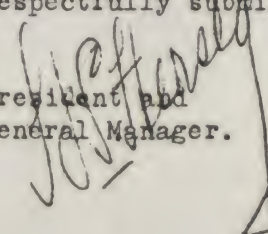
Our business is like many others, and we must recognize that no part of our organization will be able to do anything more than general economic conditions permit. Our prosperity as a Company is tied to the prosperity of other manufacturers, particularly to the well-being of large organizations ... when they do not buy, we do not prosper. Our future depends entirely upon the prosperity of the country generally, and upon our customers' policies regarding the buying of capital goods.

It is one of the paradoxes of our economic system that when business increases rapidly, cash decreases, and when business decreases, the cash supply increases. You will note this is reflected by the comparative figures on the facing page and also the condensed comparative summary of income for 1946 and 1947.

In the pages which follow, there is the Balance Sheet of the Company. This statement has been audited by Mr. Urban F. von Rosen, Certified Public Accountant, who has conducted the audit of your Company's books for a number of years.

February 23, 1948.

Respectfully submitted,


President and
General Manager.

THE C. O. BARTLETT AND SNOW COMPANY

HIGHLIGHTS OF THE YEAR'S OPERATIONS

	<u>1946</u>	<u>1947</u>	<u>Increase or (Decrease)</u>
Volume of Business:			
Sales	\$2,434,666.06	3,297,495.16	35.4%
Earnings, Taxes & Dividends:			
Net Earnings Before Income and Excess Profits Taxes	298,720.63	354,366.53	18.6%
Provision for Income and Excess Profits Taxes	99,797.48	128,460.95	28.7%
Net Earnings	198,923.15	225,905.58	13.6%
Dividends:			
Preferred Stock	15,279.62	13,999.45	(8.4)%
Common Stock	21,753.00	21,753.00	-0-
Cash & Working Capital Position:			
Cash	154,094.69	69,284.90	(55.0)%
Current Liabilities	775,853.38	543,466.35	(30.0)%
Net Cash Position - % of Cash Balance to Total Current Liabilities	19.9%	12.7%	(36.2)%
Other Current Assets	1,113,902.85	1,131,593.41	1.6%
Net Working Capital	492,144.16	657,411.96	33.6%

The backlog of orders at December 31, 1947, was \$2,479,485.45.

THE C. O. BARTLETT AND SNOW COMPANY

BALANCE SHEET AS AT DECEMBER 31, 1947

ASSETS

CURRENT:

Cash		\$ 69,284.90
Accounts Receivable, Customers	470,634.00	
Less: Allowance for Doubtful Accounts	3,500.00	467,134.00
Inventories:		
Raw Materials	244,307.85	
Contracts in Process	333,549.39	
Finished Stock	<u>86,602.17</u>	<u>664,459.41</u>
Total Current Assets		1,200,878.31

Other:

Expense Orders in Process	9,801.26	
Accounts Receivable and Advances -		
Miscellaneous	8,713.34	
Chevrolet Grey Iron Foundry -		
Construction Account	<u>516.15</u>	19,030.75

Cobwell Reduction Company, Inc. - 51% Owned:

Capital Stock - Common - at Cost		510.00
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Permanent:

Land	78,376.14	
Plant and Equipment - as Appraised	561,138.85	
Patents and Drawings	<u>1.00</u>	639,515.99

Deferred:

Insurance Deposit - Protection Mutual		
Fire Insurance Company - Less Note		
Secured Thereby	3,482.19	
Other Unexpired Insurance	1,887.83	
Prepaid Interest	438.23	
Air Travel Card Deposit	<u>425.00</u>	6,233.25

TOTAL ASSETS

\$1,866,168.30

THE C. O. BARTLETT AND SNOW COMPANY

BALANCE SHEET AS AT DECEMBER 31, 1947

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:

Accounts Payable - Trade	\$142,677.96
Estimated Federal Income Taxes - 1947	128,460.95
Notes Payable - Banks	90,000.00
Miscellaneous Accounts Payable	55,321.73
Provision for Further Costs on Contracts	35,620.00
Taxes - Other Than Federal Income - Accrued and Payable	30,733.83
Provision for Retirement of Preferred Stock - Contra	24,456.83
Customer's Credit Balances	18,254.96
Accrued Wages and Commissions Payable	17,506.49
Due Cobwell Reduction Company, Inc.	433.60
Total Current Liabilities	<u>543,466.35</u>

Capital:

Capital Stock Preferred - \$100.00 Par Value	
Authorized 2,000 Shares	<u>\$200,000.00</u>
Issued 1,927 Shares	\$192,700.00
To be Retired - Contra	<u>24,456.83</u>
	168,243.17

Capital Stock - Common - No Par	
Declared Value \$10.00 Per Share	
Authorized 15,000 Shares	
Issued 14,502 Shares	<u>145,020.00</u>
	313,263.17

Surplus:

Surplus from Appraisal:			
Land	30,866.00		
Plant and Equipment	323,566.62		
Patents and Drawings	1.00		
	<u>354,433.62</u>		
Capital Surplus	111,775.00		
Earned Surplus	489,948.69		
Reserve for Machinery Replacement	27,281.47		
Reserve for Deferred Excess			
Profits Taxes	<u>26,000.00</u>	<u>1,009,438.78</u>	<u>1,322,701.95</u>

TOTAL LIABILITIES AND CAPITAL

\$1,866,168.30

THE C. O. BARTLETT AND SNOW COMPANY

CONDENSED SUMMARY OF INCOME

	<u>1946</u>	<u>1947</u>	Increase or (Decrease)
Charges to Customers for Equipment Sold and Services Rendered	<u>\$2,434,666.06</u>	<u>3,297,495.16</u>	35.4%
Cost of All Materials, Supplies, Services, Labor and Expenses Necessary to Make the Company's Products Available for Sales	1,777,293.40	2,527,914.65	42.2%
Cost of Services, Supplies, Labor and Expenses Necessary to Engi- neer the Company's Products and to Induce the Customers to Buy	321,267.24	339,175.81	5.6%
Costs of General Administration	<u>83,473.57</u>	<u>118,690.44</u>	42.2%
Total Plant, Engineering and Administrative Costs	<u>2,182,034.21</u>	<u>2,985,780.90</u>	36.8%
Net Earnings from Operations - Before Federal Income Taxes	252,631.85	311,714.26	23.4%
Estimated Federal Income Taxes	<u>93,871.25</u>	<u>118,877.28</u>	26.6%
<u>Net Earnings from Operations</u>	158,760.60	192,836.98	21.5%
Income from Sources Other Than Plant Operations	46,088.78	42,652.27	(7.5)%
Estimated Federal Income Taxes on this Income	5,926.23	9,583.67	61.7%
<u>Net Other Income</u>	<u>40,162.55</u>	<u>33,068.60</u>	(17.7)%
Total Net Income	<u>\$198,923.15</u>	<u>225,905.58</u>	13.6%

